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MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Changes in the Structure of the Comptroller's Office

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By [Signature]

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1. BASIC ORGANIZATIONAL CHANGE

The Deputy Director (Support) proposes to issue an announcement relieving himself of responsibility for the activities of the Comptroller and stating that the Comptroller will report to the Director. It is believed that this announcement, together with some comparatively minor changes in administrative regulations, is sufficient to accomplish the basic reorganization of the Office.

2. CHANGES IN STATEMENT OF FUNCTIONS

It would appear that the present statement of functions of the Comptroller constitutes an adequate statement of his authority and responsibilities with a few possible changes:

a. Language should be inserted strengthening the evaluating <sup>or</sup> or program analysis responsibilities and authority of the Comptroller.

b. If the Comptroller is to chair the successor committee to the PRC, this should be expressly stated.

c. The Comptroller should have the responsibility for contact and liaison with the Appropriations Committees of the Congress. <sup>and should extend to both Program, Budget review committees</sup>

d. There is some lingering doubt as to whether there should be some additional authority covering personnel ceiling control. ?

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3. RELATIONS WITH OTHER COMPONENTS

The DD/P has always constituted the most complicated problem as regards budget programming. Our objective is to insure direct access to information on an immediate basis concerning the budgetary programs of the DD/P and the activities involved in these programs. This can be accomplished by having the Senior Fiscal Officer in the DD/P made immediately responsible to the Comptroller's Office and incorporated in the Comptroller's Immediate Staff. For this purpose, it is proposed that [ ] be designated as an Assistant Comptroller with the title, "Assistant Comptroller for the DD/P". In this capacity, Sam would remain where he is and continue to perform the functions which he is now performing in substantially the same manner. He would support and be responsive to the DD/P and would bear somewhat the same relationship to the DD/P that a Finance Officer in an overseas station bears to a Chief of Station. This arrangement has been discussed very tentatively with [ ]

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Essentially identical considerations exist with respect to DPD (DD/R). Relations with other major components can be worked out gradually. The Comptroller can probably continue to support the DD/S at least for the time being without any particular change. This change may create problems in personnel administration, particularly as they affect personnel overseas, which cannot be resolved overnight.

4. INTERNAL ORGANIZATIONAL STRUCTURE OF THE COMPTROLLER'S OFFICE

With the exception of the designation of [ ] as an Assistant Comptroller, no immediate change in the organizational structure of the Comptroller's Office is contemplated at this time. It will be necessary to strengthen the

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analysis and evaluation capabilities of the Office by the addition of a very limited number (probably one or two) officers with substantive intelligence and/or operational experience. It will probably be desirable to change the title of the Financial Analysis Staff to Program and Financial Analysis Staff or something of the kind.

5. STATUS OF THE PROGRAM REVIEW COMMITTEE

In order to establish an effective basis for the exercise of all independent judgment with respect to major programs and activities involving the allocation of funds and other resources, the Comptroller's Office will have to strengthen its capability for program evaluation and analysis. Programs will continue to be developed by individual components but should be the subject of analysis and review by representatives of the Comptroller's Office at various stages in their development. The objective of this analysis is to identify major policy issues suggested by various programs as well as to keep the senior managerial officials of the Agency informed of activities and developments affecting the Agency's finances.

Policy issues will ultimately be resolved at the Director or Deputy Director level. The PRC, or some successor committee, would appear to be the appropriate mechanism for insuring adequate policy review and for formulating recommendations for decisions by the Director or Deputy Director. It is proposed that the PRC be reconstituted as a policy advisory or budget advisory committee with substantially the same membership as the present PRC. The Comptroller would assume responsibility for presenting to this Committee issues and policy questions arising during the course of his review of the budgets of each individual component. He would also summarize, for the benefit of this Committee,

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the salient features of each individual budget. The Committee would also consider points raised by Committee members on their own initiative arising out of the budget of any individual component. The Committee would ultimately submit a statement and recommendations to the Director concerning budget estimates and individual programs.

Projects would continue to be approved at the Deputy Director level in accordance with existing authorizations. The Comptroller's Office would be immediately informed of projects approved by individual Directors. Projects requiring review above the level of a Deputy Director would be submitted to the Comptroller who would be responsible for effecting any coordination required before submission to the Director or Deputy Director for final approval. This coordination might occasionally involve review by the Policy or Budget Advisory Committee.

JOHN A. BROSS